

FRAUD ALERT!

Senior Longevity Survey Scam

Senior Citizens should not participate in "Senior Longevity Surveys" in which they are offered a sum of money (typically \$1,000) to provide detailed sensitive information pertaining to their health and personal history. Several seniors in St. Louis have participated in this process recently, and the fear is that with such in-depth knowledge of a senior's health and identity, a third party who obtains the information would be able to take out life insurance in the senior's name. The two types of third party insurance policies are called "STOLI's" (Stranger Originated Life Insurance), and "SPINLIFE" (Speculator Initiated Life Insurance). Insurance Companies requesting this information claim they are not using it to issue life insurance policies on the participating seniors, but the possibility to do so is there nonetheless. The small upfront fee a senior receives cannot compensate for the possible severe consequences. These include:

1. At best, if the senior willingly participates in a scheme allowing a third party stranger to take out insurance on them, they are potentially liable for several criminal and civil actions:

- The senior may be violating the state of Missouri's insurance regulations.
- "Insurable interest" is a required element to obtain an insurance policy. It means that a person cannot simply insure any stranger; they must be related to the insured person, or have a financial interest in the continued health and life of the insured person. When a senior allows a third party to take out insurance on them, they effectively bypass this "insurable interest" relationship, and thus may be liable for taxes due on the insurance settlement, or may even potentially be sued by the insurer for breach of the "insurable interest" clause of their contract.
- The senior may also lose insurability. Insurers will only allow a fixed amount of insurance to be taken out on any one person, and if a senior has sold away their insurability, they may not be able to get insurance for themselves when they actually need it again.

2. What's worse, though, is if the senior is conned or scammed into selling their insurability:

- The policy can change hands or be sold numerous times. The senior would then have an unknown third party with a vested financial interest in their early death.
- The senior will also have provided a large amount of personal information which could result in identity theft.

Insurance companies pushing this scam rely on the upfront bonus to attract seniors, who are often on a fixed income. Insurance companies tell seniors they will have "free" insurance for two or more years (the premiums are paid by the third party stranger). But after this time, the policy's "insurable interest" is then wholly transferred to the third party.

Any senior who is offered "free" insurance, or is asked to provide detailed medical history to any third party should be aware of the possible consequences. Never participate in such activities without the advice of your financial advisor or attorney.



*To Pursue Justice For All Citizens Within The Highest
Standards Of Ethical Behavior And Professionalism*

For Additional Information:

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